



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt resolution authorizing the City Manager to allocate two Public Benefit Program rebates to the following commercial/industrial customers for demand-side management projects: Ross Stores, Incorporated (\$15,184.80) and Scientific Specialties, Incorporated (\$25,000) (EUD)

MEETING DATE: February 15, 2006

PREPARED BY Electric Utility Director

RECOMMENDED ACTION: That the Lodi City Council adopt a resolution authorizing the City Manager to allocate two Public Benefit Program rebates to Ross Stores, Incorporated (\$15,184.80). and to Scientific Specialties, Incorporated (\$25,000) for demand-side management projects.

BACKGROUND INFORMATION: During each quarter of a fiscal year, three (3) large commercial/industrial customer rebates are eligible for funding via the City of Lodi Public Benefits Program. The recommended rebates to Ross Stores, Incorporated and Scientific Specialties, Incorporated are the second and third large rebates of this third quarter of the 2005-2006 fiscal year.

The rebates for large commercial/industrial customers are provided on a first-come, first-served basis. The current formula provides for a 15 percent rebate (the 15 percent rebate is for the total purchased and installed cost of the approved energy efficiency measure or measures) of a total demand-side management or energy conservation project, capped at \$25,000. The following is a description of the two qualifying projects:

- Ross Stores, Incorporated-this large commercial enterprise is eligible for a rebate in the amount of \$15,184.80 for the installation of a "cool or white" roof. The new, white roof coating applied at the Ross Store here in Lodi (340 W. Kettleman Lane) is a qualifying component of the City of Lodi Public Benefits Program, and is a recognized energy efficiency improvement by EnergyStar®, the California Energy Commission, and electric utility/service providers around the country. A cool or white roof typically reduces "heat gain" (from the sun) through a roof and attic space by approximately 20 degrees, creating a cooler environment inside the structure. A cooler interior structure reduces the need for operating a central air conditioning system, thus reduced electric energy consumption. Just over 35,000 square feet of roof space has been covered with a sun-reflective, white roofing material. The projected annual energy savings are 5,636 kilowatt hours (kWh) of energy, and 4.7 kilowatts (kW/demand) for the facility.
- Scientific Specialties, Incorporated-this industrial customer is eligible for a rebate in the amount of \$25,000 (maximum allowed under the current program guidelines) for pursuing the next phase of a facility-wide energy conservation plan. In late 2004, facility

APPROVED. _____

Blair King, City Manager

Adopt resolution authorizing the City Manager to allocate two Public Benefits Program rebates to the following commercial/industrial customers for demand-side management projects: Ross Stores, Incorporated (\$15,184.80) and Scientific Specialties, Incorporated (\$25,000) (EUD)
February 15, 2006
Page 2 of 2

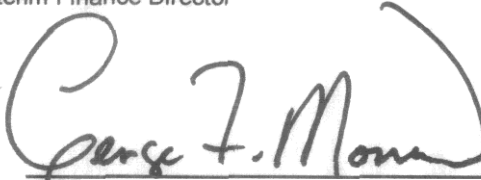
engineers at Scientific Specialties began the process of replacing inefficient and aging plastic injection molding machines. In the past few months, the company has purchased three (3) additional high efficiency molding machines, and removed three older pieces of equipment. The machines purchased- Arburg Allrounder 420 A plastic injection molding machines- are all electric machines. The three new units are equipped with multiple speeds, and an "idle" mode, which allows operators to vary the speed or shut the machine down during non-production time. This variable speed capability, coupled with equipment engineering improvements, lead to operator flexibility and reduced energy consumption (the three replaced units were all hydraulic units, and were designed to operate at full capacity, virtually non-stop during production hours). Based upon a data-logger utilized to compare energy consumption between a new injection molding machine and one of the old, replaced units at Scientific Specialties, the average daily energy savings will be 125 kWh and 5 kW per machine. For an average twenty day work month, the energy savings will be in excess of 7,500 kWh per month.

Electric Utility ~~staff~~ respectfully recommends approval of these Public Benefits Program rebates as qualifying components of the C 1 of Lodi Public Benefits Program, in the category of demand-side management or energy conservation.

FISCAL IMPACT: As a result of the Ross Stores, Incorporated project, the fiscal impact will be approximately \$750 per year; the fiscal impact of the Scientific Specialties, Incorporated project will be approximately \$10,100 per year (both of these savings numbers are conservative).

FUNDING AVAILABLE: Public Benefits - 164605 (Category: Demand-side Management)


Ruby Paiste, Interim Finance Director


George F. Morrow
Electric Utility Director

Prepared By: Rob Lechner, Manager Customer Service and Programs

GFM/RL/1st

c: City Attorney

RESOLUTION NO. 2006-28

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER ~~TO~~ ALLOCATE PUBLIC BENEFIT PROGRAM
REBATES TO COMMERCIAL/INDUSTRIAL CUSTOMERS, ROSS
STORES, INC. AND SCIENTIFIC SPECIALTIES, INC. FOR
DEMAND-SIDE MANAGEMENT PROJECTS

=====

WHEREAS, the City of Lodi's Public Benefits Program is comprised of four segments or customer groups: commercial/industrial, residential, community/non-profit, and municipal; and

WHEREAS, during each quarter of a fiscal year, three large commercial/industrial customer rebates are eligible for funding via the City of Lodi Public Benefits Program; and

WHEREAS, the recommended rebates to Ross Stores, Inc. and Scientific Specialties, Inc. are the second and third large rebates of this third quarter of the 2005-06 fiscal year. The current formula provides for a 15 percent rebate of a total demand-side management or energy conservation project, capped at \$25,000. The following is a description of the two qualifying projects:

- Ross Stores, Inc. This large commercial enterprise is eligible for a rebate in the amount of \$15,184.80 for the installation of a "cool or white" roof. The new white roof coating applied at the Ross Store in Lodi (340 W. Kettleman Lane) is a qualifying component of the City of Lodi Public Benefits Program and is a recognized energy efficiency improvement by EnergyStar®, the California Energy Commission, and electric utility/service providers around the country. A cool or white roof typically reduces "heat gain" (from the sun) through a roof and attic space by approximately 20 degrees, creating a cooler environment inside the structure. A cooler interior structure reduces the need for operating a central air-conditioning system, thus reduced electric energy consumption. Just over 35,000 square feet of roof space has been covered with a sun-reflective, white roofing material. The projected annual energy savings are 5,636 kilowatt hours (kWh) of energy, and 4.7 kilowatts (kW/demand) for the facility.
- Scientific Specialties, Inc. This industrial customer is eligible for a rebate in the amount of \$25,000 (maximum allowed under the current program guidelines) for pursuing the next phase of a facility-wide energy conservation plan. In late 2004, facility engineers at Scientific Specialties began the process of replacing inefficient and aging plastic injection molding machines. In the past few months, the company has purchased three additional high-efficiency molding machines and removed three older pieces of equipment. The machines purchased (Arburg Allrounder 420 A plastic injection molding machines) are all electric machines. The three new units are equipped with multiple speeds and an "idle" mode, which allows operators to vary the speed or shut the machine down during non-production time. This variable speed capability, coupled with equipment engineering improvements, lead to operator flexibility and reduced energy consumption (the three replaced units were all hydraulic units and were

designed to operate at full capacity, virtually non-stop during production hours). Based upon a data-logger utilized to compare energy consumption between a **new** injection molding machine and one of the old, replaced units at Scientific Specialties, the average daily energy savings will be 125 kWh and 5 kW **per machine**. For an average twenty day work month, the energy savings will be in excess of 7,500 kWh per month.

WHEREAS, staff respectfully recommends approval of these Public Benefits Program rebates as qualifying components of the City of Lodi Public Benefits Program, in the category of demand-side management or energy conservation.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby authorizes the City Manager to allocate Public Benefit Program Rebates to commercial/industrial customers, **Ross** Stores, Incorporated in the amount of \$15,184.80, and Scientific Specialties, Incorporated in the amount of \$25,000 for demand-side management projects.

Dated: February 15, 2006

I hereby certify that Resolution No. 2006-28 was passed and adopted by the City Council of the City of Lodi in a regular meeting held February 15, 2006, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, Johnson, Mounce,
and Mayor Hitchcock

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk